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C O N F I D E N T I A L SECTION 01 OF 02 VATICAN 004002

SIPDIS

DEPT FOR EUR/WE: LEVIN
DEPT PASS TO INFO WORLD TRADE ORGANIZATION COLLECTIVE

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TAGS: ETRD PREL VT WTRO
SUBJECT: CANCUN WTO MINISTERIAL: HOLY SEE SEEKS FOCUS ON HUMAN DEVELOPMENT

REF: A. A) VATICAN 307

1B. B) 02 VATICAN 6004

CLASSIFIED BY: CHARGE D'AFFAIRES D. BRENT HARDT. REASON: 1.5 (B) AND (D).

11. (SBU) SUMMARY: FRANK DEWANE, UNDER SECRETARY OF THE VATICAN'S COUNCIL FOR JUSTICE AND PEACE, WHO WILL LEAD THE VATICAN'S DELEGATION TO THE CANCUN WTO MINISTERIAL, TOLD CHARGE AUGUST 27 THAT THE HOLY SEE WOULD PRESS TO ENSURE THAT "HUMAN DEVELOPMENT" WOULD BE A CENTRAL PART OF THE DIALOGUE IN CANCUN. IN THE VIEW OF THE HOLY SEE, PROGRESS IN TRADE AND DEVELOPMENT MUST BE ACCCOMPANIED BY ATTENTION TO ITS IMPACT ON PEOPLE AND COMMUNITIES. IN THIS CONTEXT, DEWANE HAD URGED RAPID RESOLUTION OF THE TRIPS ISSUE TO ENSURE POOR COUNTRY ACCESS TO ESSENTIAL MEDICINES, AND A MORE DETERMINED EFFORT TO DEAL WITH AGRICULTURAL SUBSIDIES. THE VATICAN RELEASED SEPTEMBER 3 A STATEMENT TO HOLY SEE DIPLOMATIC MISSIONS IN PREPARATION FOR THE MINISTERIAL, WHICH CALLED FOR A NEW COMMITMENT TO THE DEVELOPMENT NEEDS OF THE POOR AND AN ALLOWANCE OF GREATER FLEXIBILITY FOR POOR COUNTRIES IN THE IMPLEMENTATION OF TRADE RULES. END SUMMARY.

HOLY SEE LINKS TRADE RULES AND HUMAN DEVELOPMENT

12. (SBU) FRANK DEWANE, UNDER SECRETARY OF THE VATICAN'S COUNCIL FOR JUSTICE AND PEACE, WHO WILL LEAD THE VATICAN'S DELEGATION TO THE CANCUN WTO MINISTERIAL, TOLD CHARGE AND POLOFF AUGUST 27 THAT THE HOLY SEE WOULD PRESS TO ENSURE THAT "HUMAN DEVELOPMENT" WOULD BE KEPT IN SHARP FOCUS IN CANCUN. WHILE THE VATICAN DOES NOT INTEND TO GET INTO THE WEEDS IN TECHNICAL MATTERS, IT FEELS IT HAS A ROLE TO PLAY IN PROVIDING "ETHICAL GUIDELINES" FOR TRADE AGREEMENTS. AS THE HOLY SEE STATEMENT FOR CANCUN (FULL TEXT FAXED TO EUR/WE) NOTES, "TRADE SHOULD BENEFIT PEOPLE, NOT JUST MARKETS AND ECONOMIES." IN THIS REGARD, THE VATICAN PLANS TO CALL ATTENTION TO THE EFFECTS OF TRADE REGULATIONS ON PEOPLE, PARTICULARLY IN THE DEVELOPING WORLD. ACCORDING TO THE VATICAN STATEMENT, PRESENT AGREEMENTS HAVE OFTEN NEGLECTED THESE CONCERNS.

ONE SIZE DOESN'T FIT ALL

13. (SBU) IN THE CANCUN PREPARATORY DOCUMENT, THE HOLY SEE CALLS FOR THE WTO TO TAKE BETTER STOCK, ON A COUNTRY-BY-COUNTRY BASIS, OF HOW TRADE REGULATIONS ARE AFFECTING HUMAN DEVELOPMENT -- IN PARTICULAR THE ABILITY OF COUNTRIES TO DEAL WITH POVERTY AND SOCIAL ISSUES SUCH AS ACCESS TO FOOD, WATER, AND EDUCATION AS THEY IMPLEMENT WTO AGREEMENTS. THE DOCUMENT WARNS AGAINST A "ONE-SIZE-FITS-ALL" APPROACH TO TRADE REGULATIONS WHEN DEALING WITH DEVELOPING NATIONS. AS DEWANE SAID, WTO RULES SHOULD BE BIASED IN FAVOR OF THE DEVELOPMENT OF POORER NATIONS, AND ALLOW FOR FLEXIBILITY IN POLICY-MAKING BY THEIR GOVERNMENTS.

TRIPS

14. (SBU) MEETING WITH US JUST PRIOR TO THE RESOLUTION OF THE ACCESS TO MEDICINE ISSUES OF THE AGREEMENT ON TRADE-RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS (TRIPS), DEWANE EMPHASIZED THAT THE VATICAN RECOGNIZES THE IMPORTANCE OF PROPERTY RIGHTS, HAVING ITSELF HELD PROPERTY FOR CENTURIES. BUT HE EXPLAINED THAT THE HOLY SEE SEES A KIND OF COMMONLY HELD "SOCIAL MORTGAGE" ON SUCH PROPERTY THAT DEMANDS THAT CONCESSIONS BE MADE TO THE COMMON GOOD. CONCRETELY, THE VATICAN'S CANCUN STATEMENT SAYS THERE IS AN "OBLIGATION OF THE RICHER COUNTRIES TO TACKLE AND REMEDY AND SHORTCOMINGS AND LESS FAVORABLE CONDITIONS OF POOR COUNTRIES AS IF THEY WERE INTERNAL PROBLEMS OF THEIR OWN."

15. (SBU) CHARGE NOTED THE USG'S COMMITMENT TO ADDRESS THE PROBLEMS OF THOSE COUNTRIES MOST IN NEED AND SPECIFICALLY OUR DETERMINATION TO ACHIEVE A RESOLUTION OF THE TRIPS ISSUE THAT REFLECTED THE SHARED U.S. AND HOLY SEE DESIRE TO OFFER

LIFE-SAVING MEDICINES TO THE MOST NEEDY. CHARGE EMPHASIZED THAT WE HAD TO STRIKE A BALANCE THAT WOULD PROVIDE DEVELOPING COUNTRIES THE ABILITY TO ACQUIRE DRUGS FOR HEALTH EMERGENCIES FROM THIRD COUNTRIES WHILE STILL GUARDING AGAINST ABUSE OF THE PATENTS OF PHARMACEUTICAL COMPANIES THAT COULD UNDERMINE FUTURE RESEARCH AND DEVELOPMENT. DEWANE ACKNOWLEDGED THAT THE BALANCING ACT BETWEEN INTELLECTUAL PROPERTY RIGHTS AND ACCESS WAS A DIFFICULT ONE, BUT EMPHASIZED THAT FOR THE HOLY SEE, PRIORITY MUST BE GIVEN TO THE NEEDS OF THE MOST VULNERABLE. FOLLOWING THE ANNOUNCEMENT OF THE RESOLUTION OF THE ISSUE, THE HOLY SEE'S ACTING FM CONVEYED TO CHARGE THE HOLY SEE'S SATISFACTION WITH THE OUTCOME.

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THAN EUROPE ON THE AGRICULTURAL SUBSIDIES ISSUE. WHILE HE INDICATED THAT LAST YEAR'S CONGRESSIONAL ACTIONS ON DOMESTIC SUBSIDIES HAD GENERATED SKEPTICISM IN MANY QUARTERS ABOUT THE U.S. COMMITMENT TO REDUCING AGRICULTURAL SUBSIDIES, DEWANE NEVERTHELESS THOUGHT THE EU (AND FRANCE IN PARTICULAR) WOULD HAVE "A LOT MORE TO ANSWER FOR" IN CANCUN. THE HOLY SEE'S FOCUS IN CANCUN WILL BE THE NEED FOR REFORMS IN MARKET ACCESS FOR PRODUCTS OF POORER COUNTRIES, WHICH THE VATICAN STRESSED "CANNOT BE PUT ASIDE INDEFINITELY." CHARGE EMPHASIZED THAT THE U.S. WAS COMMITTED TO REDUCING AGRICULTURAL SUBSIDIES, BUT WOULD NEED MOVEMENT FROM THE EU TO MAKE THIS POSSIBLE.

COMMENT: FROM DOHA TO CANCUN

17. (C) THE HOLY SEE HAS WELCOMED THE PROGRESS MADE IN DOHA TO ADDRESS THE NEEDS OF POORER COUNTRIES AND THEIR PEOPLE, BUT WARNS THAT DOHA CAN ONLY BE A STARTING POINT IN A PROCESS LEADING TO THE FULL INTEGRATION OF POOR COUNTRIES TO THE INTERNATIONAL TRADING SYSTEM. IN THIS REGARD, THE HOLY SEE WILL LIKELY SUPPORT CAPACITY-BUILDING EFFORTS, MARKET ACCESS INITIATIVES WITHOUT INSISTENCE ON RECIPROCITY, AND FLEXIBILITY IN IMPLEMENTING TRADE RULES. THEY BELIEVE THAT ACHIEVEMENT OF THE DOHA MANDATE TO GIVE SPECIAL ATTENTION TO THE NEEDS OF THE POOR CAN ONLY BE ACHIEVED BY DECISIONS OF THE DEVELOPED COUNTRIES, "WHICH MUST ASSUME THEIR PARTICULAR RESPONSIBILITY FOR THE UNIVERSAL COMMON GOOD."

SEMBLER

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